

**OPEN MEETING AGENDA ITEM
ORIGINAL**



SALLQUIST, DRUMMOND & O'CONNOR, P.C.
ATTORNEYS AT LAW
TEMPE OFFICE
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

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FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

August 3, 2005

HAND DELIVERY

Ms. Colleen Ryan
Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

RECEIVED
2005 AUG - 3 P 1:01
AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Virgin Mountain Utilities Company; Docket No. W-03551A-04-0325; Supplemental Compliance Data; Open Meeting Item August 9, 2005

Dear Ms. Ryan:

The Company continues to complete compliance matters which demonstrate that it is a viable company, and the need for the approval of the requested extension to its Certificate of Convenience and Necessity.

Three copies each of the 59 Requests for Service from property owners within the requested area seeking immediate water service have been provided to the Utilities Division. A single copy of that form is attached to this letter. As indicated in the Company's Exceptions, the Company does not believe it can reasonably obtain request for service from all property owners, but the enclosed Requests clearly represent a substantial public need for water service in the requested area. Nearly one half of these Requests are from property owners who have not previously provided a Request for Service that was included with the Application. We believe this indicates an increasing demand for water service in the area.

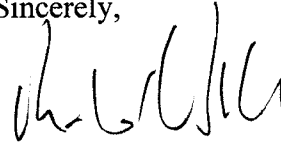
Also attached is a copy of the Company's engineer's filing with the Arizona Department of Environmental Quality for the Approval of Construction of the well and water plant. That AOC will be filed with the Commission upon receipt. The final enclosure is a copy of the performance bond required by Commission Decision No. 61525. The original bond will be docketed in that Docket under separate transmittal.

The Company anticipates commencing service to its first customer shortly after it notifies the Commission of that service date, which will be upon the receipt of the approved Approval of Construction.

Ms. Colleen Ryan
August 3, 2005
Page 2

Hopefully these ongoing efforts of the Company will demonstrate to the Commission that it is in the public interest to grant the extension as requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard L. Sallquist", written in a cursive style.

Richard L. Sallquist

Cc: Commissioners
Commissioner's Advisors
Hearing Division
Legal Division
Utilities Division (With 3 copies of the Requests for Service)
Tom Stoddard



Nevada:
6600 W. Charleston Blvd. #132
P. O. Box 26990
Las Vegas, NV 89126
(702)-878-2242 Local Telephone
(800)-727-2242 Toll free Telephone
(702)-878-7011 Local Fax
(800)-873-2242 Toll free FAX

BOND FOR UTILITY USERS

Bond Number: NC1723
Annual Premium: \$1,000.00

KNOW ALL MEN BY THESE PRESENTS;

That we, VIRGIN MOUNTAIN UTILITIES COMPANY, as principal, and CONTRACTORS BONDING AND INSURANCE COMPANY, as Surety are jointly and severally bound unto the users of Principal in the sum of \$10,000.00 (TEN THOUSAND AND NO/100s—), lawful money of the United States of America, to be paid as hereinafter provided for which payment will and truly be made, we bind ourselves; and each of our successors and assigns, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION ARE THAT;

Whereas, the above named obligee has required that VIRGIN MOUNTAIN UTILITIES COMPANY post a performance bond in the afore stated amount to be maintained until such time that the company files a request to be released from the obligation to maintain the bond based upon its financial viability, such performance guaranteeing that the company shall return any customer deposits upon termination of business by the afore stated principal

NO THEREFORE, the condition of this obligation is such, that if the aforesaid principal shall comply with the requirements of the Arizona Corporation Commission, then this obligation shall be null and void; otherwise to remain in full force and effect.

The surety's liability shall be terminated and the bond cancelled upon written notice by the surety to the Arizona Corporation Commission and a copy to the principal no less than THIRTY (30) days prior to the cancellation date.

IN WITNESS whereof, we have caused these presents to be executed this 2nd day of August, 2005

VIRGIN MOUNTAIN UTILITIES COMPANY

BY: 

CONTRACTORS BONDING AND INSURANCE COMPANY

BY: 

Attorney in Fact



Limited Power of Attorney

Home Office:
1213 Valley Street
PO Box 9271
Seattle, WA 98109-0271
(206) 628-7200

KNOW ALL MEN BY THESE PRESENTS that CONTRACTORS BONDING AND INSURANCE COMPANY, a corporation duly organized and existing under the laws of the State of Washington, and having its principal office in Seattle, King County, Washington, does by these presents make, constitute and appoint MICHAEL K. NESCHKE, of Las Vegas, Nevada, its true and lawful Attorney-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver on behalf of the Company any and all bonds and undertakings of suretyship given for any purpose, provided, however, that no Attorney-in-Fact shall be authorized to execute and deliver any bond or undertaking that shall obligate the Company for any portion of the penal sum thereof in excess of \$5,000,000, and provided, further, that no Attorney-in-Fact shall have the authority to issue a bid or proposal bond for any project where, if a contract is awarded, any bond or undertaking would be required with a penal sum in excess of \$5,000,000; and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary; hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions adopted by the Board of Directors of the CONTRACTORS BONDING AND INSURANCE COMPANY on May 20, 2004:

RESOLVED that the President of the Company is authorized to appoint any person as the Company's true and lawful Attorney-in-Fact with power and authority to execute and deliver on behalf of the Company any and all bonds and undertakings of suretyship given for any purpose, subject to such limits as shall be determined by the President of the Company; provided, however, that no such person shall be authorized to execute and deliver any bond or undertaking that shall obligate the Company for any portion of the penal sum thereof in excess of \$10,000,000, and provided, further, that no Attorney-in-Fact shall have the authority to issue a bid or proposal bond for any project where, if a contract is awarded, any bond or undertaking would be required with penal sum in excess of \$10,000,000. Any Attorney-in-Fact authorized to execute a surety bond or undertaking may also be authorized to execute any consent or other documentation incidental to said bond or undertaking, provided such document does not obligate the Company in excess of the limit set forth above.

RESOLVED FURTHER that the authority of the Secretary of the Company to certify the authenticity and effectiveness of the foregoing resolution in any Limited Power of Attorney is hereby delegated to the following persons, the signature of any of the following to bind the Company with respect to the authenticity and effectiveness of the foregoing resolutions as if signed by the Secretary of the Company: Larry A. Byers, Michael D. Burns, Debbie Kidd, Ann Janes, Nancy M. Young, Mendi A. Houts, Rosa A. Thorsen, Hans Rauth, Mark S. Hewitt, Theresa Smith, Tom Dymant, Pat Dorney, Deanna Davis, JoAnn Johnson, Debi Lewis, James L. Neschke, Cheryl Neschke, Michael K. Neschke. Provided, however, that no such person shall have the authority to certify the authenticity of a resolution or Limited Power of Attorney document which serves to appoint itself as Attorney-in-Fact.

RESOLVED FURTHER that the signatures (including certification that the Power of Attorney is still in force and effect) of the President, Notary Public and person certifying authenticity and effectiveness, and the corporate and Notary seals appearing on any Limited Power of Attorney containing this and the foregoing resolutions as well as the Limited Power of Attorney itself and its transmission, may be by facsimile; and such Limited Power of Attorney shall be deemed an original in all aspects.

RESOLVED FURTHER that all resolutions adopted prior to today appointing the above named as Attorney-in-Fact for CONTRACTORS BONDING AND INSURANCE COMPANY are hereby superseded.

IN WITNESS WHEREOF, CONTRACTORS BONDING AND INSURANCE COMPANY has caused these presents to be signed by its President and its corporate seal to be hereto affixed this 20th day of May, 2004.

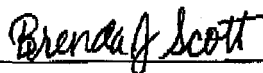
CONTRACTORS BONDING AND INSURANCE COMPANY.

By: 
Don Sirkin, President

STATE OF WASHINGTON - COUNTY OF KING

On this 20th day of May, 2004, personally appeared DON SIRKIN, to me known to be the President of the corporation that executed the foregoing Limited Power of Attorney and acknowledged said Limited Power of Attorney to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said Limited Power of Attorney.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

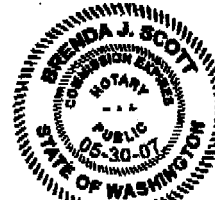

Brenda J. Scott

Notary Public in and for the State of Washington, residing at Seattle

The undersigned, acting under authority of the Board of Directors of CONTRACTORS BONDING AND INSURANCE COMPANY, hereby certifies, as or in lieu of Certificate of the Secretary of CONTRACTORS BONDING AND INSURANCE COMPANY, that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Company, and does hereby further certify that the said Power of Attorney is still in force and effect.

GIVEN under my hand at Las Vegas, NV this 2nd day of August, 2005.

PoaDS01.14-JS052004





**MOHAVE
ENGINEERING
ASSOCIATES, INC.**

CIVIL ENGINEERING • LAND SURVEYING

July 28, 2005

Arizona Department of Environmental Quality
1515 East Cedar, Suite F
Flagstaff, AZ 86004

RE: ADEQ APPROVAL OF CONSTRUCTION
VIRGIN MOUNTAIN UTILITIES COMPANY
ADEQ File No.: 20050273
MEAI Project No.: 97-037

Dear Sir,

Enclosed herewith are the following items for your review:

- A copy of ADEQ Engineer's Certificate of Completion for the water system.
- One (1) set of "Water As-Built" Plan.
- A copy of test results for the water system.
- One copy of the Operation & Maintenance Manual.
- One copy of the Emergency Backup System Manual.

If you have any questions or require any additional information, please call our office.

Respectfully,


Patty Kelly
Submittal Coordinator

Encl.

Z:\Submittals (PATTY)\97-37\ADEQ (AOC) ltr.wpd

ENGINEER'S CERTIFICATE OF COMPLETION AND FINAL INSPECTION "ECC"

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) - WATER QUALITY DIVISION

ADEQ FILE NO.: <u>2 0050273</u>		<input checked="" type="checkbox"/> DRINKING WATER DESIGN	COUNTY: <u>MOHAVE</u>
Check only one		<input type="checkbox"/> WASTEWATER DESIGN	
If separate Drinking Water & Wastewater Approvals to Construct were issued, separate ECCs required			OWNER: <u>Tomas G. Stoddard</u>
<p>Project Description: well #55-553309, two (2) 28,435 gallon water storage tanks for combined total capacity of 56,870 gallons, two (2) 7.5 hp Multi-Stage pumps, with future upgrading to be installed in phases as demand increases.</p>			

I, John A. Proffit, a Professional Engineer registered in the State of Arizona, have inspected the construction of the above described project, and certify that (check all applicable boxes, complete applicable blanks):

ITEMS 1) THRU 4) MUST BE COMPLETED

- ☒ 1) The work on this project was complete on 7/28/05 (date).
- ☒ 2) On 7/28/05 (date) a final construction inspection was conducted by ☐ MYSELF [check one] ☒ under MY DIRECT SUPERVISION by Tom Stoddard (print name).
- ☒ 3) The materials utilized and the installation and construction of those materials and equipment are in conformance with the approved plans and specifications.
- ☒ 4) All provisions listed in the ADEQ Approval to Construct for this project, a copy of which I have attached to this certificate, have been fully satisfied or exceptions are listed on the reverse side of this certificate.
- ☒ 5) All construction and preoperational tests (infiltration, exfiltration, pressure, deflection, chlorination, bacti, etc.) [circle types performed] were properly conducted, met ADEQ requirements, and are presented in attachments to this Certificate. The total number of pages of test results attached is 1.

EITHER 6A) OR 6B) MUST BE CHECKED

- ☒ 6A) Any deviation from the approved plans and the ADEQ Certificate of Approval to Construct have been noted on attached "As-Built" plans (as stipulated in the Approval to Construct provisions) prepared and sealed pursuant to A.R.S. § 32-125 on 7/28/05 (date). Of the total 1 sheets of "As-Built" plans attached, deviations from the approved plans are shown on sheets numbered 2 of 3.

All deviations from the approved plans comply with the ADEQ minimum design and construction standards contained in statute, rule, bulletin or referenced codes, and with the key elements of the approved plans.

- ☐ 6B) The completed project did not deviate from the plans which received the Approval to Construct.

EITHER 7A) OR 7B) MUST BE CHECKED

- ☐ 7A) This project did not require the preparation of an Operation and Maintenance Manual.

(the only projects which do NOT require an O&M manual are gravity-only sewage collection systems, single-family residence septic systems, and drinking water distribution projects that include no source, storage, or pressurization facilities).

- ☒ 7B) A FINAL Operation and Maintenance Manual has been prepared for this project and a copy is attached. This manual meets all ADEQ minimum design and construction standards contained in statute, rule bulletin, referenced codes, the key elements of the approved plans, and, if applicable, with Attachment B of the September 10, 1994 Engineering Advisory for Individual Alternate Systems.

EITHER 8A) OR 8B) MUST BE CHECKED

- ☒ 8A) Review of this project for Approval of construction issuance does not require a fee because this project involves only drinking water, not wastewater.
- ☐ 8B) In accordance with A.A.C. R18-14-103 Schedule B, a check in the amount of \$_____ is attached as initial fee for review of the submitted and other information for issuance of an Approval of Construction.

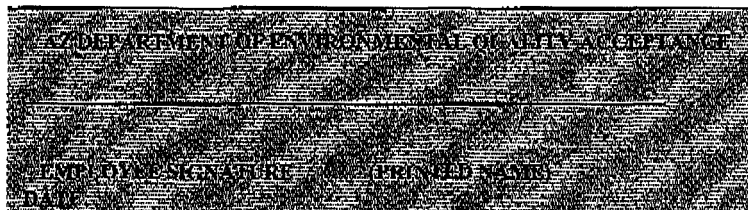
ADDITIONAL INFORMATION

ENGINEER'S SEAL per AAC R4-30-304.B

- ☐ 9) Other, see additional Information on reverse side.

Engineer Address Mohave Engineering Associates, Inc.

2202 Stockton Hill Rd., Ste. A, Kingman, AZ 86401 Phone (928)753-2627



Z:\Submittals (PATV)\97-37\Virgin Mtn. Engr's Cert. Of Compl Water.wpd



John A. Proffit



Arizona Department of Environmental Quality

Certificate of Approval to Construct for a New Source Well, Storage Tanks, and Pressure System

Applicant Information				ADEQ File No.		20050273, LTF#35906, PID#16040	
Name		Thomas G. Stoddard		Project		Virgin Mountain Utilities Company	
Mail Address 1		Virgin Mountain Utilities Company		Name		System Improvement and Expansion	
Mail Address 2		PO Box #668		Project Location		SE corner of Las Vegas Way & Zion Blvd.	
City/State/Zip		Beaver Dam, AZ 86432				Virgin River Ranches,	
Project Types				Project Description			
x Pressure Main		x Storage Tank		Install well #55-553309, two (2) 28,435 gallon water storage tanks for combined total capacity of 56,870 gallons, twelve (12) 110 gallon capacities for a combined total capacity of 1,320 gallons of hydropneumatic tanks to be installed in phases as demand increases and a community stand pipe.			
x Hydro Tank		x New Source Well					
Facility Name		Virgin Mountain Utilities Company		Facility Capacity		72 Gallons per minute	
Street Address 1		formerly known as Beaver Dam Water Company III				Up to 350 GPM	
Street Address 2		PO Box #668					
City/State/Zip		Beaver Dam, AZ 86432					
PWSID		08-093		System Capacity Affirmed By		Date	
County		Mohave		Joe Leedy, PE, Engin.'s Design Report		10/11/1999	
Design Documents Approved			Date		Site Information		
Application			1/28/05		Location of Distribution System		
Site Plan			11/22/1999		Township 39 Range 16		
Design Plan			10/11/1999		Section 14 Quarter Section NW		
Operations & Maintenance Plan			AOC		Latitude 36° 47' 12.1" North		
Response Letter					Longitude 113° 59' 44.0" West		
Other							

Approval to Construct (ATC) the above-described facilities as represented in the approved plans documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions.

The General Provision and Special Provision for the Water Distribution System appear on Pages 2 through 2.

CERTIFICATE DISTRIBUTION

Original Certificate:

Owner

Steven Owens, Director

Arizona Department of Environmental Quality

By Kurt J. Harris 3-29-05

Kurt J. Harris, P.E., Manager
Water Quality Design Review Unit
Northern Regional Office

Date Approved

Certificate Copy Only

ADEQ/NRO Reading File

ADEQ/NRO Construction File

Mohave County Environmental Services, Rachael Patterson

Project Engineer, Joe Leedy, PE

2202 Stockton Hill Rd., Kingman, AZ 86401 - 4663

Aug. 1. 2005 11:59AM
Jul 8 2005 5:23PM

MOHAVE ENGINEERING ASSOCIATES INC
LOM STODDARD

No. 3076 P. 5/7
No. 0109 R. 2

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER MICROBIOLOGICAL ANALYSIS REPORT

SAMPLES TO BE TAKEN IN DISTRIBUTION SYSTEM ONLY

>>>> PUBLIC WATER SYSTEM INFORMATION <<<<

>>>> TO BE FILLED OUT BY SYSTEM PERSONNEL <<<<

(161-104910)

System ID

Virgin Mt. Hx 1.42

System Name

(7/6/05)

Sample Date

(2:10)

Sample Time

Tom Stoddard

Owner / Contact Person Name

() 928-342-0117

Owner / Contact Fax Number

()

Owner / Contact Person Phone Number

SAMPLE TYPE

☐ Compliance Monitoring

SAMPLE COLLECTION POINT/ID

Zone Tank #2

Tank

SAMPLE SITE ID

☐ Report to ADEQ

☒ Do not Rpt to ADEQ

☐ Report to EPA

Initial

USE IF INITIAL SAMPLE WAS POSITIVE

[]

Original Violating Specimen Number

☐ Repeat, Original Location

☐ Repeat, Other Location

☐ Repeat, Downstream Location

☐ Repeat, Upstream Location

☐ 400 ml Repeat (Single Tap Only)

☐ 300 ml Repeat (Single Tap Only)

MICROBIOLOGICAL ANALYSIS

>>> To Be filled out by laboratory personnel <<<

Analysis Method	MCL Value	Contamination Name	Cont Code	Test Start Date/Time	Analysis Run Date/Time	Result
9223B	Present/1 or more Coliform	Total Coliform	3000	7-7-05 1122	7-8-05 1135	0

ONLY REPORT FECAL RESULT IF TOTAL COLIFORM RESULT IS POSITIVE

Analysis Method	MCL Value	Contamination Name	Cont Code	Test Start Date/Time	Analysis Run Date/Time	Result
9223B	Present/1 or more Coliform	E. Coli or Fecal Coliform	3013	7-7-05 1122	7-8-05 1135	

>>>> LABORATORY INFORMATION <<<<

To Be filled out by laboratory personnel

SPECIMEN NUMBER

005-1909

Received Temp.

12 °C

Date / Time Received

7-7-05 1115

ID Number: AZ 0037 Mohave Environmental Lab 1050 Highway 95, Bullhead City, AZ 86429

Comments: []

Authorized Signature: [J. Retna]

Date Public Water System Notified: []

*All units must be reported in milligrams per liter.

MEAI Prj. # 97-037
Virgin Mountain Utilities Co.
Beaver Dam, AZ
ADEQ File#20050273

EMERGENCY OPERATIONS PLAN

1 Loss of source of the water supply

- a.) If the source water supply stops it would most likely be due to well pump failure. All efforts should be made to restore well pumping operation as soon as possible.
- b.) If well pump operation cannot be restored in a timely fashion prior to water storage tank depletion, then water shall be hauled in a disinfected tank on hand in the area from the Virgin Mt. Estates Water system (Controlled by the system operator), Biasi Water Co. or other A.D.E.Q. approved sources.

2.) Loss of supply due to major component failure or structural collapse.

- a.) If failure occurs from storage tanks or any other structural component, isolate defective tank or component and, repair if possible and get back on line.

3.) Damage to power supply equipment and loss of power?

- a.) Power supply loss will be supplemented with a back up generator.
- b.) Power feeder line damage will be repaired by those skilled and responsible to do so.

4.) Contamination of distribution system water due to backflow?

- a.) It is the policy of the company to install or cause to be installed approved double check valve back flow prevention devices at potential contamination points such as R.V. connections. These will be tested on an annual basis.
- b.) Any back flow prevention devices found to be defective will be repaired immediately by the same certified testing company.
- c.) As distribution lines are installed, testing points will be established. Testing point #1 will be the water plant.
- d.) If contamination is found in the system, the source will be identified and eliminated. Then appropriate flushing, disinfection and testing will be done.
- e.) Water shall be continually tested as Prescribed By A.D.E.Q.

5.) Collapse of reservoirs, reservoir roof or pump house structure

- a.) Any collapse of reservoir or the roof will be remedied by isolating the damaged component, repairing or replacing it and then disinfecting it, testing it and bringing back on line.

- b.) Any significant structural defect in the pump house will be repaired in a timely manner as to not potentially interrupt water service.

6.) Breaks in transmission or distribution lines.


- a.) After any repair, flushing, disinfection and sampling will be done.
- b.) All valves in the system will be inspected and operated once a year.
- c.) A log will be kept of when the inspection was done and by whom.
- d.) Earth moving and other equipment will be kept on site or nearby for any maintenance or repairs.
- e.) A sufficient amount of basic spare parts and tools shall be stored and on hand to make repairs.

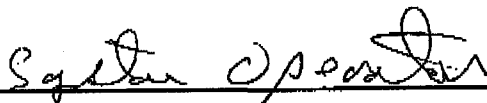
7.) Chemical or microbiological contamination of water supply?

- a.) If any microbiological contamination of the water supply occurs, the source will be eliminated, the system will then be flushed, disinfected and then tested. The target chlorine residual will be .2 parts per million to be maintained in the event of a microbiological contamination event.
- b.) If chemical contamination occurs, the source will be identified and eliminated. Then, the system will be flushed and tested as appropriate.

8.) Emergency and other information

- 1.) A.D.E.Q (Flagstaff Office) 1-928-779-0313
- 2.) A.D.E.Q. Drinking Water Hot Line 1-800-234-5677


Tom Stoddard / System operator



July 8th, 2005

Mr. Thomas G. Stoddard
Virgin Mountain Utilities Company
P.O. Box 668
Beaver Barn, Arizona 86432

Re: Request for Service

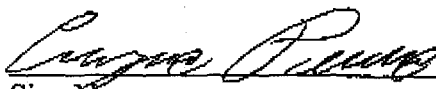
Dear Mr. Stoddard:

We own Lot Number(s) 215
in Virgin River Ranches Subdivision. We have completed, or will soon start, construction of a single family residence on the lot(s).

Please proceed with having our lot(s) included in the company's Certificate of Convenience and Necessity, Mohave County Franchise, and in obtaining all other regulatory approvals required to provide service to the Lot(s).

We hereby request that you provide water service to our lot(s) at the earliest possible date. We understand the water service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission that apply to the Company.

Sincerely,



Signature

Enrique Ponce

Print Name

116 Geanst Mesquite N/89027

Address